

Prime Finance & Investment Limited

Dividend Distribution Policy

OBJECTIVE:

The objective of this policy is to establish the criteria to be considered by the Board of Directors of Prime Finance & Investment Limited before recommending dividend to its shareholders for a financial year. As an issuer listed by securities, the policy is formed as per BSEC's Directive Ref. No. BSEC/CMRRCD/2021-386/03 dated 14 January 2021.

PARAMETERS TO BE CONSIDERED FOR DECLARATION OF DIVIDEND:

The Board of Directors of the Company shall consider the following internal or external parameters while recommending dividend:

1. Financial performance and growth opportunities of the Company
2. Positive impacts on capital market
3. Dividend payout trend of the Company
4. Capital Adequacy Ratio (CAR) position of the Company
5. Tax implication
6. Economic factors
7. Any other Regulatory requirements

For fixing the dividend payout ratio, the Board needs to consider the operating results of the Company and the Shareholders return as well. Dividend should be paid out of divisible profit of the Company. If the eligibility criteria for recommendation of dividend have not been met by the Company or any threshold has been fixed by the Regulators or any restriction has been imposed by the Regulatory Authorities; the Board of Directors of the Company may recommend dividend within the threshold or may not recommend any dividend according to restrictions.

ENTITLEMENT TO DIVIDEND:

Only the shareholders of the Company whose names appear in the depository register maintained with Central Depository Bangladesh Limited and or members' register of the Company on the record date fixed by the Company shall be entitled to receive the dividend.

PAYMENT OF DIVIDEND:

Dividend shall be distributed in the following manner and procedures, namely-

- a) Company shall pay off the dividend (cash/stock) to the shareholders within 30 days of declaration or approval or record date as the case may be.
- b) Company shall pay off the cash dividend to the bank account for entitled shareholders as available in the BO account maintained with the depository participant (DP), or the bank account as provided by the shareholder in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN) or through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible through BEFTN.
- c) Dividend of the margin client of stock broker or merchant banker shall pay off to the Consolidated Customer's Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN.
- d) In case of non-availability of bank account information or not possible to distribute cash dividend through BEFTN or any electronic payment system, Company shall issue cash dividend warrant and shall send it by post to the shareholder.
- e) Company shall credit the stock dividend to the BO account or issue the bonus share certificate of the entitled shareholder.
- f) Company shall follow the directives/circulars in force of the securities regulator, related to dividend distribution from time to time.

UTILIZATION OF RETAINED EARNINGS:

The Company would utilize the retained earnings of the Company in a manner which is beneficial to the interest of the Company and its stakeholders, including, but not limited to ensuring maintenance of a healthy level of minimum capital adequacy ratios, meeting the Company's future business growth/expansion and strategic plans or such other purpose the Board may deem fit from time to time in the interest of the Company and its stakeholders.

UNPAID/UNCLAIMED DIVIDEND:

The Company must not forfeit any unclaimed cash or stock dividend till the claim becomes barred by the law of land in force. Unclaimed dividend is paid off as per procedure set by the Bangladesh Securities and Exchange Commission and the Stock Exchanges.

CONFLICT IN POLICY:

In the event of a conflict between this policy and the extant regulations, the regulations shall prevail.

AMENDMENTS:

The Board of Directors shall review and update, if needed, once in a year before each Annual General Meeting.

DISCLOSURE:

The policy will be available on the Company's website and will also be disclosed in the Company's Annual Report.